



**BOARD OF GOVERNORS  
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF OCTOBER 5, 2016  
4:20 p.m. to 6:00 p.m., ERC 3023  
PUBLIC SESSION**

**Attendees:** Miles Goacher (Chair), Nigel Allen, Jeremy Bradbury, Adele Imrie, Tim McTiernan

**Staff:** Kay Ali, Becky Dinwoodie, Craig Elliott, Cheryl Foy, Brad MacIsaac, Susan McGovern, Pamela Onsiang, Michael Owen, Deborah Saucier, Christine White-Yeung

**Regrets:** Doug Allingham, Mary Simpson, Laurie Swami

**Guests:** Mikael Eklund

**1. Call to Order**

The Chair called the meeting to order at 4:20 p.m.

**2. Agenda**

The Agenda was approved as presented.

**3. Conflict of Interest Declaration**

There were none.

**4. Approval of Minutes of Meeting of June 20, 2016**

*Upon a motion duly made by T. McTiernan and seconded by J. Bradbury, the Minutes were approved as presented.*

**5. Chair's Remarks**

The Chair welcomed the Committee to the start of another new Board year. He expressed his appreciation for everyone's time commitment to the Committee. He noted that the SIRC building construction is a critical project that will be reviewed quarterly. He encouraged the members to

engage in discussion and acknowledged the expertise around the table. He also welcomed suggestions for the Committee reports.

The Chair advised that the initial SIRC building project presentation focuses on processes and he would be seeking the Committee's input on what information would be helpful going forward. He also noted that the financial reports have a new format – they have been simplified and are more intuitive and strategic. They also contain some MTCU reporting requirements.

## **6. Finance**

### **6.1 First Quarter Financial Reports**

C. Elliott discussed the redesigned financial reports package. He reiterated that the goal was for the reports to be more intuitive with a strategic focus. The reports focus on forward-looking data, with an emphasis on key financial drivers. They also contain a comparison of UOIT's financial health to that of other institutions.

(M. Eklund joined the meeting at 4:25 p.m.)

C. Elliott introduced P. Onsiong to discuss the financials. P. Onsiong walked the Committee through the changes to the format of the statements. She advised that the University's cash and short-term investments continue to improve, as well as the University's debt position. The Committee members commented that the notes included in the financials are really helpful.

P. Onsiong reviewed the financials with the Committee. She noted the 6% increase in revenue over last year, as well as an increase in unrealized gains on investments. She explained that universities are required to report on their financial health for the first time this year and she provided an overview of the results. She confirmed that the metrics are calculated on a GAAP basis and are taken from the GAAP financials. With respect to the income to loss ratios, UOIT continues to show positive performance ratios over the years and is doing much better than other universities of the same size in Ontario. There was a discussion regarding the comparator group. It was suggested that seeing the range in addition to the average would be helpful.

P. Onsiong continued to review the financial metrics with the Committee. She clarified that the University does have the opportunity to comment on the metrics when submitted to the Ministry.

The sample 2016-2017 operating forecast was also reviewed. It is more narrative in nature, the line by line explanations have been removed, and it incorporates input from all divisions.

P. Onsiong clarified that as we receive donations as part of the campaign, they will be reflected in the financials.

There was a discussion regarding the acquisition of the moving ground plane. The project team is currently working on the funding requirements to install the moving ground plane (MGP). M.

Owen confirmed that our industry partners are cooperating with the plans for installation and that the MGP be stored at a Multimatic facility.

P. Onsiong reviewed UOIT's cash position. The Committee inquired about the funds available through the lines of credit. P. Onsiong reviewed the main assumptions in the forecast. C. Elliott explained the forecasted enrolment numbers taking into account the opening of the new building. He also made some clarifications regarding the planned contingencies.

## **6.2 Enrolment**

B. Maclsaac presented the Day 8 enrolment numbers. He advised that we have more students coming in with an average greater than 85%. Accordingly, additional funds will be required for scholarships due to the higher entrance averages. He remarked that they were hoping to have 40 domestic PhD students and there are only 18. He explained the reasons behind the differential. He informed the Committee that the new Dean of Graduate Studies introduced a new scholarship package and changed the criteria for awarding scholarships. He noted that the numbers being presented are headcounts.

B. Maclsaac discussed the success of the mechatronics program intake. He advised that they monitor programs with low enrolment. He responded to a question regarding whether the slight decreases in mechanical and electrical engineering are due to the introduction of the mechatronics program. He explained that these were actually planned reductions. It was suggested that it would be helpful to see 2 year rolling numbers for Masters enrolment and 4 year rolling numbers for PhD enrolment to see the trends.

## **6.3 Banner Payroll Project**

C. White-Yeung delivered a presentation entitled "Banner Payroll Update". She advised the Committee that they are hoping to consolidate the group benefits and pension with the SunLife system. She confirmed that the use of time sheets has been completely eliminated. She reviewed the progress made in the project so far, as well as the outcomes achieved. Pay statements are now available online through the UOIT My Campus website. She presented the next steps in the project. She was pleased to report that everyone is now being paid out of Banner. A. Imrie commended the Finance Team for the implementation of the automated payroll system. C. Elliott explained the process, including the resources available for the project. He advised that temporary resources might be required to assist with the reconciliation. It has been a seamless transition to date.

## **6.4 Travel & Expense Management Project**

K. Ali provided an update on the implementation of the Concur travel and expense management system. She confirmed that one of the main reasons for the automation of the process was to address end-user frustrations. She provided examples of the benefits of implementation of the system, including reducing the reimbursement cycle, mobile accessibility, and reduction of

duplication. She advised that, so far, the feedback on the implementation of the process has been mixed.

She provided the Committee with a status update on the project update. A website has been developed for travel and expense. She highlighted the reporting capability of the system. C. Elliott walked through the phased approach to the rollout. K. Ali provided an overview of the next steps in the project. The Chair commended the work done on the project.

## **7. Investment Committee Oversight**

### **7.1 Investment Committee Quarterly Report**

N. Allen delivered the Investment Committee's quarterly report. He advised that the returns were about 2.6% ahead of benchmark. The Canadian equity component of the portfolio performed well and the asset mix is consistent with benchmark. He reported that the Investment Committee had a presentation from PH&N at the last meeting discussing the impact of Brexit. Essentially, PH&N confirmed that the Canada did not feel much of the impact Brexit and it was felt primarily in the UK and EU.

## **8. Compliance & Policy**

### **8.1 Risk Management**

C. Foy provided a brief status update on the Risk Management project. She advised that there will be a presentation of the proposed metrics at a future meeting.

### **8.2 Compliance**

C. Foy delivered a presentation providing the Committee with a compliance update. She advised that one of the items the Board asked her to address when joining was to develop a compliance plan. She confirmed that they are in the early stages of the compliance planning process. She explained that compliance data was gathered during the risk register development last year. Approximately 15% of risks on the register relate to compliance. The implementation of a compliance plan is constrained due to the availability of resources. She also provided a summary of ongoing compliance initiatives, highlighting the development of a new "Office of the University Secretary and General Counsel" website to provide online resources to assist the UOIT community and improve efficiency.

C. Foy noted an increasing in FIPPA requests year over year – there has been almost a tripling of time spent on access requests. Records management is a compliance initiative because it is required under FIPPA. The current focus of the records management project is on training users on how to use the policy instruments. She also provided an update on the number of contracts that have been entered into the database, as well as the types of contracts being entered. The use of the database will be expanding to other institutional areas.

### **8.3 Policy Against Violence, Sexual Violence, Harassment and Discrimination**

C. Foy provided the Committee with an update on the development of the Policy Against Violence, Sexual Violence, Harassment and Discrimination. The policy team has been discussing the policy for over a year. It began as a suite of policies and the approach changed in the Spring. The new approach was brought to the Committee for feedback. The policy has been quite extensively consulted on and not all comments have been implemented as some of them were conflicting. C. Foy responded to questions from the Committee.

### **9. SIRC Building Construction Project**

C. Ashby delivered the SIRC building construction project update. It was suggested that the update be discussed earlier at the next meeting. She advised that the parking lot project is complete, was on budget and is now in use. She presented photos of what has been completed so far.

C. Ashby provided an overview of site safety. She advised that there have been no safety incidents on site to date. C. Elliott showed the Committee the live feed to the construction project.

No unknown utilities or contaminated soils were found during the investigation of the site. C. Ashby went through the methods of progress monitoring and tracking, including the master project schedule and weekly schedule tracker. She confirmed that an independent third party (owner's advisor) has been hired to conduct site review. She explained the "change order" process, as well as reviewing the project key risks and the mitigations in place.

The Chair thanked the management team for all of their work.

### **10. Other Business**

There was none.

### **11. Termination**

*There being no other business, upon a motion duly made by T. McTiernan and seconded by N. Allen, the public session of the meeting terminated at 6:07 p.m.*

Becky Dinwoodie, Secretary